

**COMMUNITY DEVELOPMENT AGENCY
LEXINGTON NEBRASKA
July 20, 2020**

A Regular Meeting of the Community Development Agency was held Monday, July 20, 2020, at Lexington City Hall, located at 406 East 7th Street, Lexington, Nebraska at 5:30 p.m. Members present were Kory Cetak, Steve Smith, John Fagot, Chris Denker and Seth McFarland, Jason Fagot and Gail Hall. City Officials present were City Manager Joe Pepplitsch, Assistant City Manager Dennis Burnside, City Attorney Brian Copley, Finance Director Barb Hodges and Secretary Pamela Baruth. The press was represented by Clipper-Herald and KRVN.

NOTICE: Notice of the meeting was given in advance notice, thereof by publication in the Lexington Clipper-Herald, the designated method for giving notice, as shown by the Affidavit of Publication attached to these Minutes. The proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public. All items presented and discussed on the Agenda were available for public inspection.

CALL TO ORDER: The Meeting was called to order by Chairman Hall who informed the public that the Open Meetings Act is posted in the Council Chambers at the Lexington City Hall, located at 406 E. 7th Street, Lexington, Nebraska.

MINUTES – REGULAR MEETING 1-20-2020: Minutes of the Regular meeting held Monday, January 20, 2020, were presented for consideration. Moved by Smith, seconded by McFarland, to approve the minutes as presented. Roll call. Voting “aye” were Jason Fagot, Denker, John Fagot, Cetak, McFarland, Smith, Hall. Motion carried.

SPECULATIVE HOUSING UNITS: The Board and Staff discussed construction, layout and financing plans for two speculative housing units on Patriot Drive.

RESOLUTION: Resolution No. 2020-01 entitled “A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA AUTHORIZING THE CHAIRMAN AND EXECUTIVE DIRECTOR TO ENTER INTO CONTRACTS FOR THE CONSTRUCTION OF SPECULATIVE HOUSING AND AUTHORIZING THE CHAIRMAN AND EXECUTIVE DIRECTOR TO BORROW FUNDS FOR THE PURPOSES OF SPECULATIVE HOUSING” was presented. Following discussion, moved by John Fagot, seconded by McFarland, to approve Resolution No. 2020-01. Roll call. Voting “aye” were Jason Fagot, Denker, Smith, Cetak, McFarland, John Fagot, Hall. Motion carried.

RESOLUTION NO. 2020-01

A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA AUTHORIZING THE CHAIRMAN AND EXECUTIVE DIRECTOR TO ENTER INTO CONTRACTS FOR THE CONSTRUCTION OF SPECULATIVE HOUSING AND AUTHORIZING THE CHAIRMAN AND EXECUTIVE DIRECTOR TO BORROW FUNDS FOR THE PURPOSES OF SPECULATIVE HOUSING.

WHEREAS, the Community Development Agency of Lexington, Nebraska (the “Agency”), created pursuant to Nebraska Community Development Law (the “Act”), has

the authority to do all things necessary or convenient to carry out and effectuate the purposes and provisions of the Act;

WHEREAS, said authority includes the power to engage in development activity including but not limited to speculative housing development in the City of Lexington, Dawson County, Nebraska;

WHEREAS, said authority of the Agency includes the power to borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from any sources, public or private, and to give such security as may be required, and to enter into and carry out contracts in connection therewith;

WHEREAS, the Agency will be requesting bids from multiple contractors for the provision of labor in regards to the speculative housing, and further the Agency has received bids for the borrowing of funds in relation to the construction of speculative housing;

WHEREAS, the Agency deems it to be in the public interest and in furtherance of the purposes of the Act to authorize the Chairman or Executive Director to enter into contracts for the construction of speculative housing;

WHEREAS, the Agency deems it to be in the public interest and in furtherance of the purposes of the Act to borrow funds for the purposes of speculative housing, and to give such security as may be required to borrow said funds;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA:

Section 1. The Chairman of the Agency or Executive Director of the Agency, Joe Peplitsch, is hereby authorized and directed on behalf of said Agency to enter into such contracts as are necessary for the construction of speculative housing, including but not limited to separate contracts for any and all portions of the construction process, subject to the requirement said contracts be with the lowest responsible bidder.

Section 2. The Chairman of the Agency or Executive Director of the Agency is further authorized and directed to borrow money and accept advances, and any other form of financial assistance, from Homestead Bank of Lexington, Nebraska, for the purposes of the construction of speculative housing, pursuant to the terms identified in Exhibit A. The Chairman or Executive Director is further authorized to give such security as may be required, including a first lien on the real estate to be developed.

Section 3. The Chairman of the Agency or Executive Director, Joe Peplitsch, is further authorized to execute all documents on behalf of the Agency in order to effectuate the financing of the project and the Agency further designates Joe Peplitsch as an additional party who may request advances on any lines of credit with Homestead Bank.

PASSED AND APPROVED this 20th day of July, 2020.

RESOLUTION: Peplitsch reviewed the proposed second amendment to the redevelopment agreement for The Row Redevelopment Project. He explained this amendment was necessary based upon the number of units that have been constructed by the developer per the terms of the

redevelopment project. Following discussion, Resolution No. 2020-02 entitled “A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA, APPROVING THE SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT FOR THE ROW REDEVELOPMENT PROJECT, ADJUSTING THE TIMING OF THE PHASING OF THE PROJECT AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT FINANCING INDEBTEDNESS” was presented. Moved by Jason Fagot, seconded by Smith, to approve Resolution No. 2020-02. Roll call. Voting “aye” were Cetak, McFarland, Denker, John Fagot, Smith, Jason Fagot, Hall. Motion carried.

RESOLUTION NO. 2020-02

(Second Amendment to Redevelopment Agreement for the
Row Redevelopment Project)

A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF LEXINGTON, NEBRASKA, APPROVING THE SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT FOR THE ROW REDEVELOPMENT PROJECT, ADJUSTING THE TIMING OF THE PHASING OF THE PROJECT AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT FINANCING INDEBTEDNESS.

WHEREAS, the Community Development Agency of the Lexington, Nebraska (“CDA”) previously approved and adopted an Redevelopment Agreement (Row Redevelopment Project) (the “Project”) for Lexington, Nebraska pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 et seq. (the “Act”);

WHEREAS, the Redeveloper desires to implement Phase Two of the Project, which consists of the construction of 12 market rate homes, in two separate phases identified as Phase Two and Phase Three, consisting of the construction of 8 market rate homes and 4 market rate homes, respectively;

WHEREAS, a copy of the Second Amendment of Redevelopment Agreement by and between the CDA, The Row Lexington, L.P. a Nebraska limited partnership (“Row”), and The Row R&S, LLC, a Nebraska limited liability company (“R&S”, and together with Row, the “Redeveloper”), that will break out Phase Two of the Project into Phase Two and Phase Three (the “Second Amendment”) is attached as Attachment “A” and incorporated herein by this reference;

WHEREAS, on July 20, 2020, a meeting of the CDA was held at the Lexington City Council chambers located at 406 East 7th Street, in Lexington, Nebraska in order to determine whether the Second Amendment should be approved;

WHEREAS, the CDA has reviewed the Second Amendment and has found it to be in conformity with the Act, the Redevelopment Agreement and the general plan for development of the City of Lexington, and in the best interests of the City of Lexington; and

NOW, THEREFORE, BE IT RESOLVED, that the CDA does hereby approve and adopt the Second Amendment in the form attached hereto as Attachment “A”;

BE IT FURTHER RESOLVED, that the CDA hereby authorizes its legal counsel to finalize the terms and conditions of the Second Amendment on behalf of the CDA, and that any and all actions previously taken by its legal counsel to fulfill this resolution are hereby ratified and approved, except that the amount of the TIF Indebtedness and the use of the TIF proceeds shall not be modified without the consent and approval of the CDA;

BE IT FURTHER RESOLVED, that the CDA is hereby authorized, following the lapse of thirty (30) days after the approval of the Second Amendment, to issue TIF Indebtedness for the Project in a series of two TIF Notes in the form attached to the Redevelopment Agreement, in an amount not to exceed Two Hundred Thirty-Seven Thousand and No/100 Dollars (\$237,000.00) for Phase Two of the Project, and in an amount not to exceed One Hundred Eighteen Thousand and No/100 Dollars for Phase Three of the Project (collectively, the "TIF Indebtedness"), to be repaid solely from the Tax Increment created by the Project. The TIF Indebtedness does not represent the general obligation of the CDA nor the City of Lexington;

BE IT FURTHER RESOLVED, that the CDA is hereby authorized to file a Notice to Divide Tax for Phase Two of the Project with the Dawson County Assessor on or before August 1, 2020, establishing the Effective Date for Phase Two of the Project as January 1, 2020; and

BE IT FURTHER RESOLVED, that the CDA hereby authorizes its Chair to execute and deliver the Second Amendment and to take all such other actions contemplated and required by the Second Amendment and to fulfill the resolutions set forth above.

DATED THIS 20th of July, 2020.

ADJOURNMENT: There being no further business to discuss, Chair Hall declared the meeting adjourned.

Respectfully submitted,
Pamela Baruth
CDA Secretary